

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE:)	CHAPTER 7
)	
STEVEN LODEN DYE,)	CASE NO. 06-71024 - MHM
)	
Debtor.)	

ORDER DENYING DEBTOR'S MOTIONS

This order addresses the latest of Debtor's attempts, with the complicity of FXM, P.C. d/b/a Frank X. Moore & Associates ("FXM"), to reverse virtually every action taken by the Chapter 7 Trustee ("Trustee") in this case and to persuade the undersigned to reconsider and reverse the findings and holdings in virtually every order entered in this case. Based upon a "Report" of an "ongoing investigation of 'Deutsche Bank'" undertaken by FXM regarding the claim held by Deutsche Bank Trust Company Americas ("Deutsche") secured by Debtor's real property, filed July 20, 2010 (Doc. No. 397) (the "Report"),¹ Debtor has filed several pleadings seeking to overturn:

- the order approving Trustee's sale of estate property (Doc. No. 423),
- the order approving a negotiated settlement between Trustee and Deutsche regarding its claim secured by property of the estate (Doc. No. 366), and
- even the order converting this case to a Chapter 7 case (Doc. No. 57)

(collectively, the "Effort"). Debtor is fixated upon what he perceives to be defects in the documentation of Deutsche's claim, and seeks in essence to regain title and possession of his residence free of any liens. The Effort, like many *pro se* litigants in this court, is both

¹ A supplement to the Report was filed October 6, 2010 (Doc. No. 402). The supplement provided only a copy of email correspondence exchanged between FXM and counsel for Litton and between Debtor and counsel for Trustee. As a general rule, the undersigned does not take note of informal communications between parties. The emails provided in the supplement do not appear of any significance to any of the factual or legal issues presented in Debtor's motions.

delusional and fostered by recent news reports and national litigation regarding the mortgage mess engendered by the securitization debacles of the past decade, which culminated in the economic crisis under which we are all still suffering.

A review of relevant portions of the record in this case all the way back to the filing date in 2006 of the petition which initiated this case shows that Debtor has never denied owing in excess of \$500,000 on a loan secured by his residence. If this Effort were a wrongful foreclosure action in a state court, Debtor may have some basis for asserting that a foreclosure sale undertaken by Deutsche was not properly conducted.² But this is not a state court, this Effort is not a wrongful foreclosure proceeding and, in fact, no valid foreclosure sale took place.³

In numerous hearings in connection with the Chapter 7 Trustee's proposed disposition of the only asset in this estate with any value for creditors, volumes of argument and testimony have been received showing that Trustee has undertaken an appropriate and thorough investigation of the validity, priority and extent of liens secured by Debtor's residence, located at 1020 Edgewater Drive, Atlanta, Fulton County, Georgia (the "Property"). Trustee has negotiated and achieved advantageous settlements with the lienholders obtaining funds for the estate to which it would likely not otherwise have obtained. On order was entered December 7, 2010, approving the sale of the Property for \$275,000; from the sale proceeds, after payment of the costs of sale, Deutsche would receive \$150,000 and the estate would receive the next \$80,000 from the proceeds. Nothing in FXM's "Report" or in Debtor's pleadings supports a conclusion that Trustee's actions have been deficient in any way.

² Trustee, however, has investigated the documentation of Deutsche's claim and has researched Georgia law on the issues and concluded that any claim the estate may have had for wrongful foreclosure was weak. Trustee negotiated with Deutsche and resolved the issues between Deutsche and estate as reflected in the order approving the parties' settlement, entered after extensive hearings July 30, 2008 (Doc. No. 366).

³ A foreclosure sale was conducted on the day that Debtor filed his bankruptcy petition in this case, but that sale was void as a violation of the automatic stay.


Because of Debtor's obstreperous opposition to every action proposed by Trustee and Debtor's intransigent resistance to any action depriving Debtor of his residence, the sale of the residence was delayed, likely resulting in a sales price hundreds of thousands of dollars lower than could have been achieved earlier in the case, before the real estate market crashed in 2008. Debtor's litigious obstructionism in this case has forced the estate to incur thousands of dollars of unnecessary administrative expenses and has effectively deprived almost every creditor involved in this case of any meaningful recovery on their claims. Debtor's most recent pleading challenges the claim of Riverwood Partners, L.P., a creditor who does not anticipate receiving any distribution from Debtor's estate. The purpose of reviewing that Riverwood's claim would be, therefore, a waste of this court's and Trustee's time.

As stated in previous orders, Debtor has no pecuniary interest in this estate and, therefore, has no standing to interpose any further objections to the claim of any creditor in this case and no further such objections by Debtor will be entertained by the undersigned. Accordingly, it is hereby

ORDERED that Debtor's motion to reconsider any prior order entered in this case is *denied*. Any further attempts to obstruct the administration of this case may result in sanctions.

The Clerk, U.S. Bankruptcy Court, is directed to serve a copy of this order upon Debtor, all creditors and parties in interest, and the Chapter 7 Trustee.

IT IS SO ORDERED, this the 27th day of September, 2011.



MARGARET H. MURPHY
UNITED STATES BANKRUPTCY JUDGE